P 55E

Previous

App. F. IX-4

Previous References

1936-7
(C.S)

File No. 11-36

Serial Nos. ~~[illegible]~~
280, 286-288

Letter References

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Four
~~Two~~.

Part B for August

SUBJECT.

Recommendation contained in Chapter V of the report of the Committee on Cooperation in Mysore.

To Regr C.S. Compn & Govt

WD 0295—GPB—22,500—18-8 37

Passed orders on 7.8

Serial No.

Chapter V of the Report of the Committee on Cooperation

---

submitted with a draft G.O. with refce for consideration

15/11/37

submitted with a typed draft

16/11/37

The recommendations shd be typed in full.

16.11.37

Typing fee for typing of the summary of B of recommendation in full. Below the headings & the order of first sentence under the recommendation

16/11/37

Revised draft is subd as directed

17/11/37

Secy A.S.G. 17.11.37

Draft as finally revised is submitted for approval

11.7.38

II Member)

12-7-38

28/7/38

28/7/38

G.O. No. D&I 3 CW/38 11-36-280 dated 2/8/38 forwarding on the Chapter V of the Report

Done 12/8

NOTE—Contn. Sheet.

7 NOV 1936 GOVT OF MYSORE

SECOND MEMBER COUNCIL 12 JULY 1938 No. 78

SECTION 1938 V. SECTT.

1-50 1937 GNL & REV. SECTT.

PWD 0281—GPB—30,000—13-5-37.

Serial No.	
287	No. D 1212 dt 22-8-38 To Mr. C.E. Rama Rao Bangalore Cy. acknowledging receipt of the letter
288	No. D 1213-5 dt 22-8-38 To the Registrar C.S the Comptr. and the Compiler, Mysore Gazette. Issue Corrigenda for the words "23-13 per cent" in Sl. 280 to substitute "23 and 13 per cent respectively"

WD 0284—GPB—30,000—13-5-37

Letter No 5637 (1) Dated 9-1-37 from the Registrar Co. operative Societies on Chapter IV + V of the report

CO-OPERATIVE ENQUIRY COMMITTEE REPORT.

1936.

Chapter V

No. of Chapter.	Reference to page of the Report.	Subject matter in brief.	Action taken or proposed to be taken.
1	2	3	
V.	83	Rates of Interest. While the actual rates of interest will vary according to local conditions and requirements, it is necessary to prevent undue variations and competition of rates in the same area, and also to guard against the danger of leaving too narrow a margin between lendings and borrowings. For these reasons and in order to safeguard the interests of the movement as a whole, it is desirable that the Registrar should continuously watch the rates of interest proposed to be adopted from time to time.	For the reasons stated by the Co-operative Committee, it is desirable that the Registrar should have some control over the rates of interest charged by Co-operative Societies on the loans issued by them and the rates of interest paid on deposits. The byelaws of societies generally prescribe the maximum and minimum rates of interest chargeable and payable on them respectively and the actual rates prevailing at any time are prescribed in the Subsidiary Rules which can be modified from time to time by the Managing Committee. While any changes in the byelaws are subject to the approval of the Registrar, amendments to subsidiary rules may or may not have to be approved by the Registrar according to the byelaws of the particular society. The actual rates of interest prevailing at any time could only be fixed in the subsidiary rules - making it possible for the Directors to change them from time to time in accordance with the general money market conditions and the financial position of the society, rather than in the byelaws which can be altered only by the

Letter No 56.3.) Dated 9-1-37 from the Registrar Co. forwarding his views on Chapter IV + V of the Report

CO-OPERATIVE ENQUIRY COMMITTEE REPORT.

1936.

Chapter V

No. of Chapter.	Reference to page of the Report.	Subject matter in brief.	Action taken or proposed to be taken.
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V.	83	Rates of Interest. While the actual rates of interest will vary according to local conditions and requirements, it is necessary to prevent undue variations and competition of rates in the same area, and also to guard against the danger of leaving too narrow a margin between lendings and borrowings. For these reasons and in order to safeguard the interests of the movement as a whole, it is desirable that the Registrar should continuously watch the rates of interest proposed to be adopted from time to time.	For the reasons stated by the Co-operative Committee, it is desirable that the Registrar should have some control over the rates of interest charge by Co-operative Societies on the loans issued by them and the rates of intere paid on deposits. The byelaws of societies generally prescribe the maximum and minimum rates of interest chargeable and payable on them respectively and the actual rates prevailing at any time are prescribed in the Subsidiary Rule which can be modified from time to time by the Managing Committee. While any changes in the byelaws are subject to the approval of the Registrar, amendments to subsidiary rules may or may not have to be approved by the Registrar according to the byelaws of the particular society. The actual rates of interest prevailing at any time could only be fixed in the subsidiary rules - making it possible for the Directors to change them from time to time in - accordance with the general money market conditions and the financial positi of the society, rather than in the byelaws which can be altered only by the

1	2	3	4

the General Body. But to enable the Department to keep the necessary watch and control over the rates of interest recommended by the Committee the Regution may be amended requiring that the Sub-sidiary Rules amendments thereof should also be got approved by the Department before adoption. Vide this office letter No. 5645/C.S. dated 9th January 1937.

V. 84 & 85. Provident Fund Bonds and Current Deposits.

Every endeavour should be made to bring home to members especially in urban societies, the distinct advantages offered by a scheme of Provident Fund Bonds.

Current accounts may be allowed in urban banks under [illegible] safeguards. But the system is unsuited to primary [illegible]

Very many of the Urban Societies have introduced the system of provident Fund bonds. Thrift is effectively enforced also by the share system which prevails in Mysore and by inducing the members to go on adding to their share holdings every year.

84. 85. Placing of security amounts by Government Servants etc., in Co-operative Institutions.

Government servants, treasurers, etc., who have to tender security, may be permitted at their option to place the security amount in a co-operative institution.

The Government Order No.R.4340-51/Ex.112-20-4 dated 27th February 1922 permitting the security deposits of Excise Contractors being deposited in approved Co-operative Societies may be made applicable to all security deposits, to be furnished to Government by Government Servants or Contractors. Vide this office letter to Government No. 5646/C.S.dated 9th January 1937.

Inter Finance.

[illegible] not be permitted to borrow directly [illegible] Provincial Apex Bank should be the [illegible] within the movement,

I have already expressed my views in this matter while dealing with balancing to be performed by Central Institutions in this office letter No.5639 dated 9th January 1937.

1	2	3	4

V. 86 Borrowing power of Societies.

It is the duty of the Directorate of the Central financing Bank to fix every year the maximum sum it is prepared to lend to a society.

Some at least of the delay in the investigation of loan applications and issue of loans may be obviated if the investigation of a society's borrowing capacity, instead of being postponed till after a specific loan application is received, is taken up as part of a systematic process of the assessment of the financial position of all affiliated societies to be conducted periodically.

The general body of every primary society should, once a year at its annual meeting, fix the maximum limit up to which its committee is authorized to borrow without its sanction, the committee being personally responsible for loss if the limit fixed exceeded.

I am of opinion that the present practice of issuing loans after investigation in each case is the best and we may continue that practice As it is, it is felt that the loan applications coming up individually and with specific information each time do not receive sufficient scrutiny. If a general limit is fixed once a year and all further applications within that limit are automatically sanctioned there will be less of scrutiny each time and greater danger for the safety of the loans. The reason urged for adopting this method is that a lot of delay involved in the investigation of loan applications will be avoided. I may add that under the present method there is very little delay consistent with safety.

When a society wants to raise a loan the sanction of the General Body is to be obtained each time the loan is sought to be raised. It is generally the unlimited liability societies that raise loans from the Apex Bank and every member of the unlimited liability society incurs a great risk each time a loan is raised. It is therefore necessary that every member should know each time the loan is raise what purpose and for whom it is to be obtained so that he migh

2 3

guard himself against possible risks. But in the case of cash-credits obtained for supplementing the society's own funds and in the case of urban societies the General Body may give a general authority to the Directors regarding the amount and the purpose of the loan which they may borrow from the Bank during that year.

Vide this office letter No. 5644 /C.S. dated 9th January 1937 addressed to the Apex Bank, copy of which has been sent, while dealing with affiliation of societies to the Apex Bank in Chapter IV.

Every society has got Rules regarding the custody of cash and securities and no further action is necessary excepting to see that such rules are not violated and this is looked into during inspections.

Regarding the taking of securities from Cashiers the rule may not be practicable in rural societies.

M. S. [illegible]
9/1/37

Registrar.

V. 87 Concessional rates to socie-

Central financing institutions are expected to show all possible consideration to their primary societies in the matter of the rates of interest on loans. They should lend at concessional rates sums required by societies up to the extent of the reserve fund of the latter kept in deposit with them.

do. 88. Custody of cash and securities and security from Cashiers.

Strict rules should be made regarding the custody of cash and securities.

Cashiers should give security for the full amount of till money. Cash balances should be checked in detail at each audit.

2 3 4

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M. S. [illegible]
9/1/37

Registrar.

L.S.9/1.

remarks

The Resistant opinion
may be accepted

LG

The comments of the reviewer
may be accepted

LG

A recommendation has separately been submitted and lies for orders

WJ

For orders. May be received

WJ

The question is separately under consideration and information has been called for from the Revenue & Excise Comms. in the matter

WJ

No remarks
deals with above

WJ

...rten No. Tentative decision arrived at ~~The suggestion will be examined.~~ with the Registrar

~~25. Charitable allotments.~~

CHAPTER V.

1. Attraction of deposits	Accepted.
2. ...ates of interest	Accepted. Certain proposals made by the Registrar to give effect to the suggestions are under examination.
3. ...rovident Fund Bonds.	Noted.
4. Current deposits	Noted.
5. Security Amounts	The proposals made by the Registrar in this connection are under consideration.
6. Inter-Finance	...ccepted.
7. Borrowing power of Societies.	The Registrar considers it desirable that each application should be investigated as received. Although this seems desirable. The present practice may therefore continue.
8. Authorization of Committees.	-do- -do-
9. Concessional ...tes.	Government consider that the ...tion is sound. The Registrar is taking action in this respect.
10. Custody of cash and securities.	Accepted.
11. Security from Cashiers.	Government understand that the Cashiers from whom the Committee desire that security should be obtained for the full amounts of till money are paid cashiers, agree that in all such cases security should be taken. When the Cashier is an honorary worker it will not be always possible to

Item No. Tentative decision arrived at during with the Registrar 4.

25. ~~Charitable Allotments.~~ ~~The suggestion will be examined.~~

CHAPTER V.

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2. Rates of interest	Accepted. Certain proposals made by the Registrar to give effect to the suggestions are under examination.
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possible to obtain security. The Registrar may examine particular cases in which it is necessary to obtain security and issue necessary instructio

The Fourth All India Co-operative Conference, Bangalore.
held on 3rd & 4th July 1937.

Resolutions passed.

1. This Conference resolves to request the Government of India to so amend the Indian Income-Tax Act as to exempt from Income-Tax and Super Tax the incomes derived by co-operative societies from (a) investment of their own reserve funds in Government securities; (b) investment in Government securities for purposes of fluid resource to be maintained on a prescribed scale, under statutory obligation, in force in each province.

2. This Conference does not agree with the view that the provincial Banks will not command confidence of the investing public, by their Boards being largely composed of borrowers. The constitution of Apex Banks is in accordance with sound principles of co-operation and they do command in abundance the confidence of the public.

3. This Conference is of the opinion that the statement made by the Reserve Bank that the margin between the lending rate and the borrowing rate of co-operative Banks is low and the rates should be raised, is not generally correct. The margin of profit depends mainly upon the borrowing rates, lending rates, cost of management, etc.

While conceding that these factors depend upon local conditions and circumstances, this conference places on record its considered opinion that the aim of co-operative societies should be to make credit as cheap as possible and the existing rates of interest should not be raised, except when by local conditions it is considered absolutely necessary.

4. This Conference considers it undesirable to provide any representation to depositors, as such, on boards of Provincial Banks, whether by nomination or other means.

5. This Conference while agreeding with the view that long term credit should be provided only through Land-mortgage Banks is not in favour of the recommendation that loans from Central Banks and societies should be strictly confined to cultivation finance only.

Other necessary forms of short and intermediate credit required by members should also be found in order to prevent them from resorting to money-lenders. Provided however, that the deposits and borrowings of the banks should be so regulated as to permit such loans being granted from these sources.

6. This Conference, whole recognising the necessity of bringing down the level of the debts of members where there is no reasonable prospect of their recovery in full even if long extensions are given, does not consider it desirable that any hard and fast rules should be laid down for all banks and in all areas. With the rise in prices and other favourable conditions the position may change as it has done already in certain areas; and it must be left to the Banks and societies to deal with the problem according to local conditions.

7. This Conference, while agreeing with the proposal that a statutory fixed or agricultural charge upon produce should be created, does not favour any special provision for sending to prison of members who dispose of their produce without repaying the societies' dues.

8. This conference recognises that multiple purpose societies have proved beneficial in certain areas and possess some advantages where they can be successfully set up, and while it is not prepared to recommend it for general adoption, is of opinion that such societies may be tried wherever circumstances permit.

9. This Conference is unable to agree with the view that Central Banks operating over small areas are preferable to larger banks and that large district banks must be split up into small banks

10. This Conference, while it recognises that a pure type of central banking union composed entirely of primary societies and with no individual shareholders has much to commend in it, from a co-operative point of view, it of opinion that such unions are not capable of being developed and efficiently worked in many areas. They were tried and abandoned in some areas. The matter must be left to local co-operative enterprise according to local conditions.

11. This Conference agrees with the view that the practice of making debentures of land mortgage banks redeemable at any time is unsound and that a period should be fixed for the redemption of those debentures; a fund into which collections of principal are pooled should be formed for redeeming debentures and provision should also be made for retiring them by purchase in open market whenever possible.

12. This Conference favours the free and compulsory licensing and registration of all money-lenders, requiring them to maintain regular and standardised accounts and fixing the maximum rates of interest allowable on agricultural loans.

13. Societies for members of depressed classes who are employed in Municipalities and in trades like skins and hides be encouraged and strengthened.

14. This Conference requests the co-operative institutions to popularise the movement among women and enlist them as members in large numbers in all types of societies.

15. Government of every Province and State be requested to give liberal and substantial financial help to the Provincial Co-operative Institutes and Land-mortgage Banks out of the Provincial or State Revenues.

16. This Conference requests the Government to take suitable steps so that co-operative societies holding shares in the Reserve Bank of India should be permitted to nominate by a duly authenticated resolution of the committee any member of the society as a representative to attend and vote at general body meetings of the Reserve Bank.

17. This Conference is of opinion that it is essential that the officer selected for the post of the Registrar should first have undergone special training and have shown by experience

experience his fitness for the work. He should be allowed to visit other Provinces of India as well as Europe to study the co-operative movement there. There should be an officer under training to succeed the Registrar.

18. This Conference requests the Governments to make statutory provision for notice in writing of not less than thirty days being given to a co-operative society before any suit is filed against it.

19. This Conference is of opinion that the recommendation of the Mysore Co-operative Enquiry Committee prohibiting grant of loans to non-member depositors on the security of their deposits is unsound. The Bank must have discretion in granting such loans.

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PROCEEDINGS OF THE GOVERNMENT OF H.H. THE MAHARAJA OF MYSORE.

Read-

Recommendations in Chapter V of the Report of the Committee on Co-operation in Mysore in respect of capital resources of co-operative institutions

Opinion of the Registrar thereon forwarded with his letter No.5637 dated the 9th January 1937.

ORDER NO. D 853-54/C.S. 11-36-280 2nd August 34

The Committee note with satisfaction that the paid up share capital and reserve funds, which constitute the "owned capital" of co-operative institutions, formed and form 23.13 % of the total working capital on 30th June 1935, while the borrowed capital (including deposits) ~~formed~~ amounts to 59%. They observe that the growth of owned capital which conduces so greatly to financial stability is being encouraged, partly by the issue of shares and chiefly by the building up of reserve funds. The detailed recommendations made by the Committee in this chapter together with the observations of Government thereon are noted below:-

Recommendations	Observations
Rates of interest. While the actual rates of interest will vary according to local conditions and requirements it is necessary to prevent undue variations and competition of rates in the same area, and also to guard against the danger of leaving	It is desirable that the Registrar should watch the rates of interest charged by co-operative societies on the loans issued by them as well as

too narrow a margin between lendings and borrowings. For these reasons and in order to safeguard the interests of the movement as a whole, it is desirable that the Registrar should continuously watch the rates of interest proposed to be adopted from time to time.

the rates paid by them on deposits. The maximum and minimum rates are prescribed in bye-laws of societies. The question whether the subsidiary rules under which the actual rates are fixed from time to time by the managing committee should receive the ~~personal~~ approval of the Registrar, is being separately examined.

Recommendations.	Observations.
Provident Fund Bonds and Current deposits.	
Every endeavour should be made to bring home to members especially in urban societies, the distinct advantages offered by a scheme of Provident Fund Bonds.	Government note the suggestions of the Committee.
Current accounts may be allowed in urban banks under suitable safeguards. But the system is unsuited to primary rural societies.	
Security deposits.	
Government servants, treasurers etc. who have to tender security, may be permitted at their option to place the security amount in a co-operative institution.	At present there is provision in the M.C.A.C. for the acceptance of fixed deposit receipts of approved co-operative societies by all Govt. departments subject to certain conditions. Govt. have passed ~~orders directing~~ that there is no need to change the existing rule in the matter.
Inter-finance.	
Primary societies should not be permitted to borrow directly from one another. The Provincial Apex Bank should be the sole medium for inter-finance within the movement.	Government have passed orders accepting this recommendation in G.O. No.D.8603/C.S. 11-36-122 dated 11th June 1937.
Borrowing power of societies and authorisation of committees.	
It is the duty of the Directorate of the Central financing Bank to fix every year the maximum sum it is prepared to lend to a society.	The procedure recommended by the Committee may be adopted with advantage by co-operative institutions with a large membership. But the fixing of a limit should not be regarded as authorising the management to sanction loans automatically up to that limit or to dispense with the detailed scrutiny to be given to individual applications when they are received.
Some at least of the delay in the investigation of loan applications and issue of loans may be obviated if the investigation of a society's borrowing capacity, instead of being postponed till after a specific loan application is received, is taken up as part of a systematic process of the assessment of the financial position of all affiliated societies to be conducted periodi-	

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Recommendations.

The general body of every primary society should, once a year at its annual meeting, fix the maximum limit up to which its committee is authorized to borrow without its sanction, the committee being personally responsible for loss if the limit fixed is exceeded.

Observations.

It is generally the unlimited liability societies that raise loans from the Apex Bank and every member of the unlimited liability society incurs a great risk each time a loan is raised. It is therefore necessary that every member should know each time the loan is raised for what purpose and for whom it is to be obtained so that he might guard himself against possible risks. But in the case of cash-credits obtained for supplementing the society's own funds and in the case of urban societies the General Body may give a general authority to the Directors regarding the amount and the purpose of the loan which they may borrow from the Bank during that year.

Concessional rates.

Central financing institutions are expected to show all possible consideration to their primary societies in the matter of the rates of interest on loans. They should lend at concessional rates sums required by societies up to the extent of the reserve fund of the latter kept in deposit with them.

Orders have been passed on the subject in G.O. No.D.615b-56/CS 11-36-241 dated 23-2-1938 in connection with the recommendations made in chapter IV of the Report.

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Custody of cash and securities.

Strict rules should be made regarding the custody of cash and securities.

The recommendation is accepted. The Registrar reports that every society has its own rules for the control of cash and securities and instructions will be issued to see that these rules are strictly enforced.

Security from cashiers.

Cashiers should give security for the full amount of till money. Cash balances should be checked in detail at each audit.

It is understood that the cashiers from whom the Committee desire that ~~the~~ security should be obtained for the full amounts of till money are paid cashiers. Govt. ~~They~~ agree that in all such cases -- security should be taken. When the cashier is an honorary worker it may not always be possible to obtain security (especially in rural societies). The Registrar will examine particular cases in which it is necessary to obtain security and issue necessary instructions.

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11-7-35

Secretary to Government,
L.S.G. Department.

To

The Registrar of Co-operative Societies,
The Comptroller to Government.

App. F VI G 10.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

P.B no. 7
4.8.38

G. O. No. D 853-54/bg. 11-36-280 DATED the 2nd August 38

May this be

i. printed ? Yes

ii. treated as a standing order ? Yes

iii. published in the Gazette English Part ? Yes

iv. translated ?

v. placed at the disposal of the press ? } Yes.

iv. published in the Gazette Kannada Part ?

IC 3-8-38

Report of the committee on cooperation

Passes orders on the recommendations contained in chapter V of the ——— in Mysore

Asst Sec 4/8/38

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 853-54—C. S. 11-36-280, dated 2nd August 1938.

Report of the Committee on Co-operation.

Passes orders on the recommendations contained in Chapter V of the —— in Mysore.

READ—

Recommendations in Chapter V of the Report of the Committee on Co-operation in Mysore i respect of capital resources of Co-operative Institutions.

Opinion of the Registrar thereon forwarded with his letter No. 5637, dated the 9th January 193'

ORDER No. D. 853-51—C. S. 11-36-280, DATED BANGALORE, THE 2ND AUGUST 1938.

The Committee note with satisfaction that the paid-up share capital and reserve funds, which constitute the "owned capital" of the Co-operative Institutions, formed 23[illegible]13 per cent of the total working capital on 30th June 1935, while the borrowed capital (including deposits) amounted to 59 per cent. They observe that the growth of owned capital which conduces so greatly to financial stability is being encouraged, partly by the issue of shares and chiefly by the building up of reserve funds. The detailed recommendations made by the Committee in this chapter together with the observations of Government thereon are noted below :—

RECOMMENDATIONS.	OBSERVATIONS.
Rates of Interest.	
While the actual rates of interest will vary according to local conditions and requirements, it is necessary to prevent undue variations and competition of rates in the same area, and also to guard against the danger of leaving too narrow a margin between lendings and borrowings. For these reasons and in order to safeguard the interests of the movement as a whole, it is desirable that the Registrar should continuously watch the rates of interest proposed to be adopted from time to time.	It is desirable that the Registrar should watch the rates of interest charged by Co-operative Societies on the loans issued by them as well as the rates paid by them on deposits. The maximum and minimum rates are prescribed in the bye-laws of societies. The question whether the subsidiary rules under which the actual rates are fixed from time to time by the managing committee should receive the approval of the Registrar, is being separately examined.
Provident Fund Bonds and Current Deposits.	
Every endeavour should be made to bring home to members especially in urban societies, the distinct advantages offered by a scheme of Provident Fund Bonds. Current accounts may be allowed in urban banks under suitable safeguards. But the system is unsuited to primary rural societies.	Government note the suggestions of the Committee.

No. D. 853-54—C. S. 11-36-280, dated 2nd August 1938.

Recommendations.	Observations.
Security Deposits.	
Government servants, treasurers, etc., who have to tender security, may be permitted at their option to place the security amount in a co-operative institution.	At present there is provision in the Mysore Civil Account Code for the acceptance of fixed deposit receipts of approved co-operative societies by all Government departments subject to certain conditions. Government are of opinion that there is no need to change the existing rule in the matter.
Inter-finance.	
Primary societies should not be permitted to borrow directly from one another. The Provincial Apex Bank should be the sole medium for inter-finance within the movement.	Government have passed orders accepting this recommendation in Government Order No. D. 8603—C. S. 11-36-122, dated 11th June 1937.
Borrowing power of Societies and Authorisation of Committees.	
It is the duty of the Directorate of the Central Financing Bank to fix every year the maximum sum it is prepared to lend to a society. Some at least of the delay in the investigation of loan applications and issue of loans may be obviated if the investigation of a society's borrowing capacity, instead of being postponed till after a specific loan application is received, is taken up as part of a systematic process of the assessment of the financial position of all affiliated societies to be conducted periodically. The general body of every primary society should, once a year at its annual meeting, fix the maximum limit upto which its committee is authorised to borrow without its sanction, the committee being personally responsible for loss if the limit fixed is exceeded.	The procedure recommended by the Committee may be adopted with advantage by Co-operative Institutions with a large membership. But the fixing of a limit should not be regarded as authorising the management to sanction loans automatically up to that limit or to dispense with the detailed scrutiny to be given to individual applications when they are received. It is generally the unlimited liability societies that raise loans from the Apex Bank and every member of the unlimited liability society incurs a great risk each time a loan is raised. It is therefore necessary that every member should know each time the loan is raised for what purpose and for whom it is to be obtained so that he might guard himself against possible risks. But in the case of cash credits obtained for supplementing the society's own funds, and in the case of urban societies, the General Body may give a general authority to the Directors regarding the amount and the purpose of the loan which they may borrow from the Bank during that year.
Concessional rates.	
Central financing institutions are expected to show all possible consideration to their primary societies in the matter of the rates on interest on loans. They should lend at concessional rates sums required by societies up to the extent of the reserve fund of the latter kept in deposit with them.	Orders have been passed on the subject in Government Order No. D. 6155-56—C. S. 11-36-242, dated 23rd February 1938, in connection with the recommendations made in Chapter IV of the Report.

No. D. 853-54—C. S. 11-36-280, dated 2nd August 1938.

Recommendations.	Observations.
Custody of cash and securities.	
Strict rules should be made regarding the custody of cash and securities.	The recommendation is accepted. The Registrar reports that every society has its own rules for the control of cash and securities and instructions will be issued to see that these rules are strictly enforced.
Securities from cashiers.	
Cashiers should give security for the full amount of till money. Cash balances should be checked in detail at each audit.	It is understood that the cashiers from whom the Committee desire that security should be obtained for the full amounts of till money are paid cashiers. Government agree that in all such cases security should be taken. When the cashier is an honorary worker, it may not always be possible to obtain security (especially in rural societies). The Registrar will examine particular cases in which it is necessary to obtain security and issue necessary instructions.

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

To—The Registrar of Co-operative Societies in Mysore.
The Comptroller to Government.

Exd.—C. K.

WD 220--GPB—475--15-8-38

Appendix F G—1]

SUBJECT .....

.....

.....

Section bd

File No. 11-36

Serial No. —

Diary No. of letter replied to .....

No. b 1018.

To

General and Revenue Secretariat

( )

the *193* .

8.8.38

Date of issue.....

Signed by .....

Dear Sir

I am desired to forward herewith a copy of G.O.Ms.D 853-56/ bd 11-36-280 dated 2/8/38 passing orders on the recommendations contained in Chapter V of the Report of the Committee on Co-operation in Mysore. for your information

Yours sincerely

4/8

Dft D.O. is sub-marked

4/8/38

Issued

4/8

To

Rajadhanapraina

Dewan Bahadur

K. L. Chandrashekhara Iyer BA BL

retired Deputy Director of the Deputy Board of Mysore

Basavanagudi Post

Bangalore city

List of enclosures.....

Copied by .....

Examined by.....

GENERAL AND REVENUE SECRETARIAT

D. O. No.

D 1018/CS. 11-36.

Dated, Bangalore, 8th August 1938.

Dear Sir,

I am desired to forward herewith a copy of Government Order No. D. 853-54/C.S. 11-36-280 dated 2nd August 1938 passing orders on the recommendation contained in Chapter V of the Report of the Committee on Co-operation in Mysore for your information.

Yours sincerely,

Rajadharmapravina Dewan Bahadur
K.S. Chandrasekhara Iyer, B.A., B.L.,
Retired Chief Justice of the Chief
Court of Mysore,
Basavangudi, Bangalore City

GEN. & REVENUE SECRETARIAT
17 DEC 1938
DEVELOPMENT

875 (21)

C.S.11-36-286

From

C:E. Rama Rau, Esq., B.A.,
54, Shankara Mutt Road, Shankarapuram,
Basavangudi POst, Bangalore.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Local Self Government Department, Bangalore.

Sir,

I beg to bring to your notice, for such action as may be deemed proper, that in the first sentence of the Government Order No.D.853-54-C.S.11-36-280 dated the 2nd August 1938 published at page 270 of Part I of the Mysore Gazette dated the 11th August 1938, it is stated "that the paid-up share capital and reserve funds ..... of the Co-operative Institutions, formed 23.13 per cent of the total working capital on 30th June 1935" and that the figure 23.13 herein given for the percentage appears to be incorrect in-as-much as it does not agree with what is - - stated in para 3 at page 80 of Chapter V Part II - Finance, of the Report of the Committee on Co-operation, 1936, wherein it is definitely mentioned that the paid-up share capital and the - - reserve fund formed 23 and 13 per cent respectively of the total net working capital. It seems, therefore, to be necessary to substitute either " 46 per cent" or "23 and 13 per cent respectively for "23.13 per cent" occurring in the first sentence of the Government Order referred to above.

I request to be excused for the liberty taken in writing this letter.

I beg to remain,
S i r,
Your most obedient servant,

C. Rama Rau

Bangalore,
13th August 1938)

Acknowledge with thanks is hereby to advise
It is hereby that the mistake has occurred in the copy placed by the II Member
The copy was dictated and typed in the office of the II Mr. Off. Only for making
necessary Correction is also hereby to advise

16/8/38

16/8

Secy (L.S.G.)

This should have been verified & corrected by the Govt. Gazette before the explanation is made satisfactory. The Off. may close the

16/8

TYPING SECTION
17 AUG. 1938
GEN. & REV. SECTT.

Appendix F G—1]

SUBJECT Two Acts

(22)

Section 6A

File No. 11-36

Serial No. 287

Diary No. of letter replied to .....

No. D 1212

To C. E. Ramachar Esq BA

No 54, Shankar Mutt Road

Shankarapuram

Bangalore city

General and Revenue Secretariat

( )

the *193* .

Date of issue 22/8/38

Signed by Mr. P. S. N

Sir

I am directed to acknowledge with thanks the receipt of your letter of the 13th instant ~~requesting to~~ bringing to notice certain errors ~~Correcting to be made~~ in the G.O relating to these orders on the recommendations in Chapter V of the Report of the Committee on Co-operation in Mysore, and to state that necessary Corrections hereto are being ~~issued~~ issued in the form of

I have ek

Section Officer

List of enclosures.....

Copied by ..... ~~Typist~~

Examined by.....

23

GENERAL AND REVENUE SECRETARIAT

R.O. No. D 12 13-5
11-36-288

Dated, Bangalore, 18th August 193
2205

Corrigenda.

For the words "23-13 per cent" in the first sentence of Government Order No. D.853-54/C.S. 11-36-280 dated 2nd August 1938 published at page 270 of Part I of the Mysore Gazette dated 11th August 1938, relating to the orders on Chapter V of the Report of the Committee on Co-operation in Mysore, substitute "23 and 13 per cent respectively."

N.S. Narasinga Rao
Secretary to Government,
Local Self Government Department.

The Registrar of Co-operative Societies in Mysore
" Comptroller to Government of Mysore.
" Compiler, Mysore Gazette.

K.".R.5.

Appendix F G—1]

SUBJECT ..... Two Bills

.....

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Section Bl.

File No. 1-36

Serial No. 288

Diary No. of letter replied to .....

No. D 1213-5

To Corrigenda

General and Revenue Secretariat

( )

the *193* .

For the words "23-13 per cent" in the first sentence of G.O. No D 853-54/ Bl 11-36-280 dated 2/8/38 published at Page 270 of Part I of the Mysore Gazette dated 11-8-38, relating to the orders on Chapter V of the Report of the Committee on Corporation in Mysore, substitute "23 and 13 per cent respectively"

Date of issue 22/8/38

Signed by Mr P S N

J - 18/8/38
Secy-L.V.S

List of enclosures.....

To

The Registrar G.

The Comptroller

The Compiler-Mysore Gazette

Copied by .....

Examined by.....

95

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D 1212/ G.S. 11-36-288 *Dated, Bangalore,* 22nd August 1938.

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
Local Self-Government Department.

To

C.E. Rama Rao, Esq., B.A.,
No.54, Shankar Mutt Road, Shankarpuram,
Bangalore City.

Sir,

I am directed to acknowledge with thanks the receipt of your letter of the 13th instant bringing to notice certain errors in the Government Order relating to the orders on the recommendations in Chapter V of the Report of the Committee on Co-operation in Mysore, and to state that necessary corrections thereto are being issued.

I have the honour to be,
Sir,
Your most obedient servant,

J S Narayanaswamy

for Secretary to Government,
Local Self Government Department.

K.M.R.2.